DOCUMENT RESUME

ED 357 444 EA 024 859

TITLE	The Allocation of Money and Its Impact on Education.
INSTITUTION	Education Commission of the States, Denver, Colo.
SPONS AGENCY	AT&T Foundation, New York, NY.
PUB DATE	Sep 92
NOTE	21p.
AVAILABLE FROM	ECS Distribution Center, 707 17th Street, Suite 2700, Denver, CO 80202-3427 (Stock No. SF-92-21: $5; quantity discounts).
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*Economic Climate; *Educational Change; Educational Finance; Elementary Secondary Education; *Financial Policy; *Financial Problems; Governance; Public Schools; *Resource Allocation; State School District Relationship
IDENTIFIERS	California; Colorado; Illinois; Kentucky; Maine; South Carolina

ABSTRACT

While much attention has been paid to educational reform or restructuring efforts to improve the nation's schools, the fiscal aspects of reform have received little attention. The Education Commission of the States studied 20 school districts in 6 states (California, Colorado, Illinois, Kentucky, Maine, and South Carolina) to determine what impact resource-allocation methods had on educational reform. Superintendents and principals were interviewed about their district's fiscal situation, types of school restructuring being pursued, and the influence of fiscal considerations on reform. Responses showed that most districts were involved in governance reform, curriculum changes, and efforts for increases in student performance standards and expectations. Activities associated with reform required finding additional funding within the school system. Most of the administrators' time investment was made at the beginning of the reform process. All the school districts were moving ahead with reform despite restrictive budget and economic situations. Several recommendations for state leaders can be drawn from the study: create a statewide reform strategy, increase local management flexibility, provide incentives for reform, focus on outcomes, utilize consultants, seek easing of federal restrictions, improve state-local relations, and increase local fiscal-planning flexibility. (JPT)

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The Allocation of Money and Its Impact on Education

Education Commission of the States

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THE ALLOCATION OF MONEY AND ITS IMPACT ON EDUCATION REFORM

Prepared by

The Education Commission of the States

With the support of

The AT&T Foundation

September 1992

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PREFACE

As part of its ongoing interest in school reform issues, the Education Commission of the States (ECS) investigated what impact, if any, resource allocation mechanisms such as budgeting and accounting practices are having on education reform efforts. Supported by a grant from the AT&T Foundation, ECS carried out an exploratory study designed to obtain information about funding mechanisms, sources of funds, levels of funding, fiscal flexibility and changes in expenditure patterns in school districts known to be in the process of restructuring.

Twenty districts in six states (California, Colorado, Illinois, Kentucky, Maine and South Carolina) were selected as representative of districts broadly engaged in school reform for a minimum of two years. Using an interview guide provided to district leaders beforehand, we conducted telephone interviews with superintendents and principals in each of the districts. The interview guide focused the conversation on several topics of interest to ECS:

- ★ The fiscal situation facing the school district
- ★ The types of restructuring being pursued
- ★ The influence of fiscal considerations (e.g., funding specifically for reform, budgeting requirements and accounting practices) on the progress of reform

In addition, we interviewed five individuals from four states whose work provided a statewide perspective on reform and fiscal issues. This paper summarizes the findings from this effort.

INTRODUCTION

Much attention has been paid to America's need to improve the education of its young people in order to remain competitive in the global economy. Scholars have developed models, policy makers have designed incentives to stimulate action, businesses have pressed for higher levels of performance, politicians have debated new approaches, and evaluators are examining what difference it all makes. At the local level, schools across the country have responded to the calls for improvement with a myriad of new initiatives designed to "reform" or "restructure" how educational services are conceived, delivered and governed. Little attention, however, has been paid to the fiscal aspects of reform.

Realizing this, ECS decided to launch a preliminary inquiry into the fiscal aspects of reform:

- ★ What kinds of activities tend to be associated with reform efforts (e.g., providing special training, seeking external funding, purchasing equipment, using consultants?)
- ★ How are reform activities funded?
- ★ What impact do budgeting and accounting practices have on local reform activities?
- ★ How much fiscal flexibility do local leaders have? How much more is needed?
- ★ How have expenditure patterns changed as a result of reform efforts?

Findings from this exploratory work will be used to help states improve their understanding of whether state and/or district fiscal practices are impeding or supporting education reform efforts. The study also will provide a basis for discussing appropriate next steps in altering state and local fiscal/budgeting policy and practice.

OVERVIEW OF FINDINGS

Interview responses illustrate that districts differ significantly from one another and respond differently to local and external stimuli. However, several themes recur.

The Reform Context

Each district included was heavily engaged in some aspect of reform. To get a sense of the nature of their efforts, we asked local leaders to describe the most salient aspects of their reform activities. The most common responses included governance changes (especially implementation of site-based management), curriculum changes (team approaches, active learning and performance-based instruction, for example) and increases in student performance standards and expectations.

Most efforts have begun in the last five years as a result of local initiative, but in Kentucky, Maine and South Carolina, state-level reform initiatives seem to be driving much of the action. Federal-level actions (i.e., National Education Goals, America 2000, etc.), seem to be most helpful in creating a climate that encourages local efforts. The focus of local activities tends to be districtwide rather than confined to certain schools, although some districts allow schools the option of participating.

Whatever the approach, local leadership was critical in launching and sustaining reform efforts. Although leadership was not the focus of this study, it emerged as a common theme among these districts and appears to be a key to reform, be it in creating the climate for change, focusing the reform agenda, sustaining the initial enthusiasm, garnering community support or obtaining outside funding. This raises a question about the use of incentives to help local people develop leadership skills.

While it is too early to report definitive results of reform efforts, local district leaders commonly pointed to such preliminary factors as improved teacher and staff morale, greater teacher and parent involvement in decision making, an upward trend in standardized test scores, a decreasing dropout rate and increased participation in postsecondary education. They also commented frequently on the large time commitment required to develop and implement a strategy for change and the longer-than-expected time lapse before changes take root and outcomes are affected.

Activities Associated With Reform

Finding new discretionary money or unallocated dollars within the existing system seems key in supporting reform. The activities most frequently associated with local reform efforts were staff development/training, the use of external consultants and the purchase of equipment, especially computers. These activities were financed primarily through external sources (foundations, corporations) or

through special state grants. Districts did not often add new personnel and most often limited hiring to normal turnover or because of enrollment increases. Because staffing patterns are basically stable, districts give significant emphasis to staff development in such areas as curriculum development, assessment strategies, team building and collaboration skills, conflict resolution, strategic planning, fiscal planning and budget development, and monitoring. Districts send teachers out to other districts to see new strategies at work; support participation in state-run workshops and training sessions; bring in university, state department of education or private consultants; and develop local partnerships with businesses for help in strategic planning or use of technology.

While some of this effort is supported through traditional "budgeted" staff development, much of the added emphasis on staff development is supported with "soft money," i.e., foundation, corporation or government grants made for a limited time period and a specific purpose. Never large in comparison to a district's overall operating budget (typically less than 5% and frequently less than 1%), these dollars are seen as critical to reform efforts. First, they provide an external validation of district efforts. Second, they provide the marginal dollars needed to stimulate new thinking (by paying for visitation trips and/or consultants). Third, the attention and exposure increase interest and commitment, at least in the short run. Fourth, the evaluation requirements that many grants require ensure that attention is paid to how well goals are met.

The Time Commitment Required

Early stages of reform seem to demand the most time from administrators. Respondents consistently noted that superintendents and principals devote a greater portion of their time to reform agendas than teachers. Administrators frequently point out, however, that successful reform implementation demands greater teacher (and parent) involvement over extended periods of time, and that this budget implication is just beginning to occur. Where teachers have become significantly involved, their involvement often means voluntarily extending the work day or work week (without additional pay) if they are to bring about changes while continuing to deliver traditional services.

Teachers' attitudes and commitment thus become key additional ingredients to long-term success. Hopefully, the necessary transitional stage can be completed before staff burnout sets in. This also raises the question of the true cost of reform or the hidden costs of reform.

Fiscal Aspects of Reform

The fiscal condition of local districts in all states reflects the worrisome state of the economy. Resources are tight, expenditures are watched carefully, and no one is eager to commit scarce money to untried ideas. In short, it is a difficult time to launch or sustain reform efforts. Local leaders generally agree, however, that the austere fiscal climate will not kill reform, only slow it down. Planning activities can proceed even if implementation is delayed or slowed.

If money were more readily available, reform leaders say they would involve more teachers sooner, expand staff development activities, make more extensive use of consultants and integrate technology into the school environment more quickly. Even under present tight conditions, however, local leaders are working to alter expenditure patterns. *Table One* on the next page shows how respondents are altering expenditure patterns to support reform activities.

Post-reform versus pre-reform expenditure patterns clearly show technology, staff development and special-population expenditures rising in about two-thirds of the districts. Less emphasis is placed on increasing the number of administrators; one-third of the districts report having fewer administrators now than in pre-reform days.

District leaders typically view budget and accounting practices as support systems that should respond to the nature of the organization, not determine or restrict it. As districts make changes in how they are organized, budget and accounting practices need to change, too. In a practical sense, there is always a delay between making organizational change, to site-based management practices, for example, and the impact of those changes on support services. Because of this, leaders generally report that budget and accounting practices can slightly impede change in the beginning. Although decentralizing support services was not easy for the districts surveyed, there were no theoretical or regulatory reasons not to alter the budget and accounting practices to support new approaches. One explanation may be the heavy weight "tradition" plays in these practices.

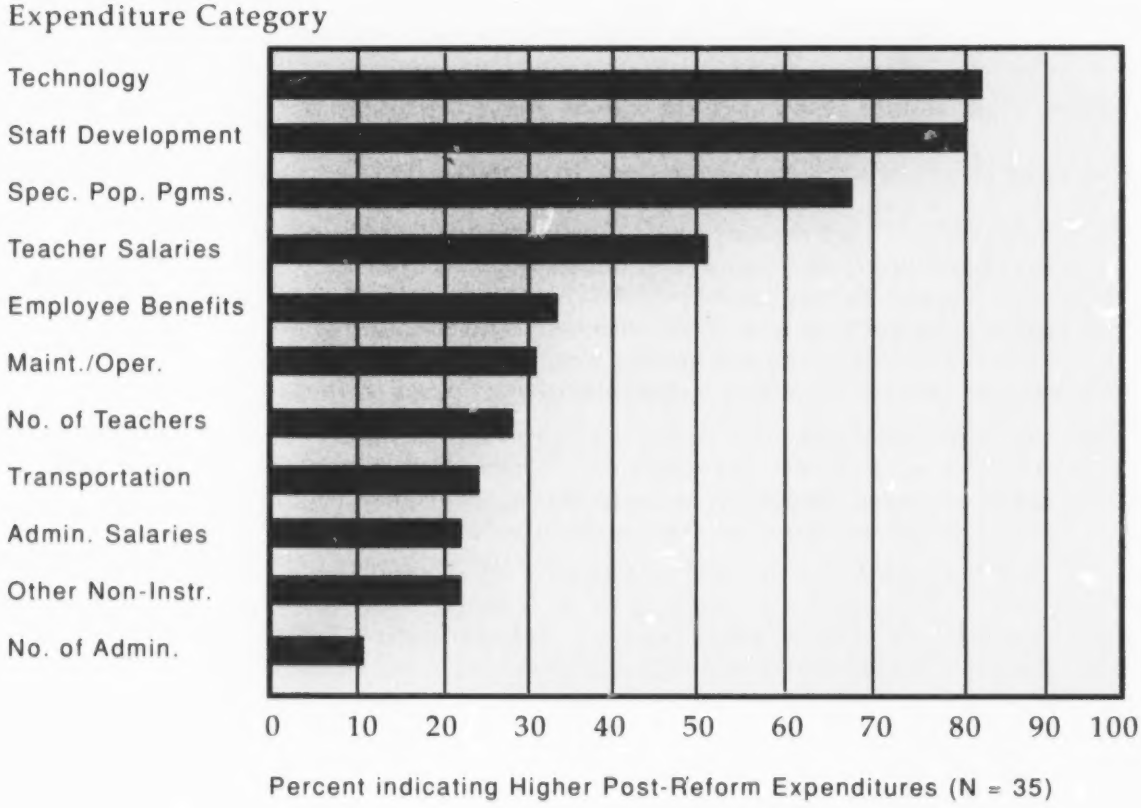
In most cases, budget and accounting practices have been decentralized so site-based managers have ready access to information they need. Teachers and principals, however, frequently are inexperienced in planning and budgeting techniques and are being given substantial local authority without adequate training.

Most superintendents feel they have a substantial amount of fiscal flexibility and require only a little more to carry out their reform agendas. While some wistfully espouse "total freedom" to expend district dollars, the more typical reaction is a desire to see categorical spending requirements relaxed, be able to pool funds and carry forward funds from year to year. Many superintendents were unequivocal in stating that federal expenditure restrictions are much more troublesome than state-imposed restrictions.

When asked what area states could address to better support local reform efforts, respondents identified "too many regulations." Some respondents say waivers from regulations should be granted if local schools meet certain criteria. Others believe there are just too many restrictive regulations that reduce local flexibility in dealing with local problems. In addition, some say they would like to see the state department of education increase its consultative services, improve information flow, reward risk-taking and highlight local efforts that work.

TABLE ONE. POST-REFORM EXPENDITURES COMPARED TO PRE-REFORM EXPENDITURES

(in constant dollars)



FISCAL ASPECTS OF EDUCATION REFORM EFFORTS IN FIVE STATES

California

The cost of living in California has risen significantly over the last three years, while funding for education has decreased dramatically. These two factors have resulted in significant budget cuts. Local educators believe fiscal constraints have slowed their reform efforts, but they are determined to proceed. Two superintendents commented:

> *Due to the high cost of living, high salaries are necessary to live in the area. This depletes the budget and takes money that may have been available for curriculum reform.*
>
> *Reform efforts have been slowed dramatically. However, we will keep momentum somehow.*

Outside grants are currently the best source of funds to support reform. Realizing this, one district formed an education foundation to seek outside grants. The California lottery also supplements these efforts, as do state restructuring grants. Additional funding comes from industry contributions, while some districts have been able to reallocate existing funds.

Available funds are being used to change curriculum, develop new standards or expectations for student performance and make the governance changes necessary for site-based management. While it is too early to assess long-term results, the prevailing mood is positive — staff morale is up, performance expectations are higher, more parents are participating, people feel engaged in something important, and objective indicators show increased test scores and attendance rates and fewer dropouts.

Local California administrators generally are limited by contractual regulations and limited discretionary funds that allow only a modest amount of fiscal flexibility. They would like more fiscal flexibility.

When asked to compare constant-dollar expenditures for major categories, administrators indicated that staff development, technology, employee benefits and programs for special populations are receiving greater emphasis, while other expenditures have remained fairly constant.

Past budgets were developed by the central office for presentation to the school board. In general, the actual process of managing money — budget planning and monitoring and accounting practices — is not seen as a serious impediment to local district reform efforts. As governance shifts from the district level to individual sites, fiscal practices are following suit. The decentralization of the budgeting process is increasing school capacity to handle new levels of autonomy. The schools are being given additional responsibility for money management. As site-based management spreads, it also is becoming more common for each school

site to develop its own budget and defend it through the district's budget review process. Budget decisions are tied more directly to district strategic plans.

The impact of accounting practices varies among the districts. Some district leaders view them as supportive or at least neutral. Others criticize accounting practices for "lack of timeliness and accuracy" and "too much paperwork and bureaucracy" — problems to be addressed along with, but not necessarily as a result of, reform efforts.

When asked what the state of California could do to encourage local reform efforts (short of writing a blank check), local district leaders focused their concerns on the quantity of rules and regulations governing their actions. They would like the state to give more authority to school districts and provide more latitude in using categorical funds. To support long-term planning, they say the state should allow schools to save money, carry it over and earn interest. Among their other requests: focus on outcome-based education, establish clear priorities and share that knowledge with districts, reduce paperwork and create a network through which schools can collaborate on fiscal policies (using "lighthouse schools" as examples for others to follow).

Colorado

Like other states, Colorado has been feeling the effects of the national recession. The state has cut funding for education and money is tight. Local educators believe these fiscal constraints have caused delays and slowed progress in implementing reform. Several respondents mentioned the negative effect these cutbacks have had on staff morale. A university professor summed up this attitude:

> *The fiscal situation has had an impact on reform — when money is tight, people tend to start pointing fingers; their thinking becomes constrained. Citizens frequently want to cut money and want quicker results. This may stifle efforts to innovate or change by encouraging the status quo.*

Dollars to support reform are scarce, coming primarily from outside grants and the reallocation of existing resources. One district has established a local foundation for pursuing private funds for public education. Allocations for reform are typically being redirected from administrative, facilities and personnel budgets.

Available funds are being used to alter the curriculum, change testing and assessment practices, and implement new governance arrangements.

District superintendents generally are dissatisfied with the current level of fiscal flexibility associated with state (categorical) and federal (Chapter 1) programs. Districts agree that the ability to proceed with reform is directly related to the school having control over how money is spent.

When constant-dollar expenditures for major categories are compared, it becomes apparent that technology, employee benefits and programs for special populations are receiving greater emphasis, while plant maintenance and opera-

tions and other non-instructional expenditures are receiving less. In addition, the number of administrators is declining.

Initially, highly centralized budget and accounting processes impeded reform. As reform efforts continued, districts altered fiscal practices to reflect the more decentralized program and management focus. While more needs to be done, local leaders no longer view budget and accounting processes as impediments to reform. Still needed are a needs-based budgeting process that originates at each individual school and focuses on established essential services and increased flexibility to pool and carry forward funds to execute long-range plans.

When asked what fiscal steps the state could take to help local district reform efforts, district leaders again focused on the number of rules and regulations governing their actions. Examples include: amounts mandated to be spent on instructional supplies per student per year, categorical spending requirements and penalties for carrying over or pooling funds. Reform-minded local leaders tend to focus on performance standards and would like to see the state move toward fiscal policies that tie funding to performance rather than to "seat time."

Illinois

The national recession has hit Illinois hard. The state is cutting back expenditures and has dramatically decreased funding for education. Larger percentages of a declining budget are going to teachers and salaries. Local educators believe fiscal constraints have slowed reform efforts — they have had to cut positions and give up money from discretionary budgets. Lack of funding has made the overall job of reform much more difficult, but they are continuing their reform efforts at a slower pace.

Much of the money for reform comes from outside grants. Local funds, where available, must be reallocated from existing expenditure lines (for example, one district eliminated a program called Quest — an exploratory subjects program — to create teaching and learning teams). Additional funds have come from private foundations (e.g., the MacArthur Foundation supported restructuring efforts in Chicago schools) and the federal government ($83 million over the next five years.) While these funds are important to initiate and highlight reform efforts, large infusions of new dollars are not seen as a prerequisite to reform.

Available funds are being used to (1) change the curriculum through greater teacher participation within district- and school-determined goals; (2) purchase technology (integrating technological tools into the core curriculum) and (3) make changes in governance (site-based approaches, including fiscal decision making and participation by union groups). In one district, for example, teachers are making program decisions and increasingly taking on budget decisions. On the fiscal side, teacher understanding and involvement leads to changes in expenditure patterns. For example, teachers may decide to keep a special education student in a regular class, cover playground duty themselves or forgo substitute teachers when teaching in a team setting.

Local administrators are generally satisfied with current levels of fiscal flexibility but would like to see fewer restrictions on the use of state and federal funds.

Respondents generally agreed that pre- and post-reform constant dollar expenditure patterns have shifted. Since reforms were initiated, per-pupil expenditures for staff development, technology and teacher salaries have increased, while the number of administrators has typically decreased.

In general, fiscal practices such as budget planning and monitoring and accounting practices are not seen as serious impediments to local district reform efforts. Centralized, bureaucratic accounting and approval processes — while substantial irritants that require change — do not thwart reform. According to the director of the Chicago Panel on Public Schools, site-based accounting practices have not been addressed. A site-based purchasing procedure would speed the acquisition of supplies and materials and aid in reform by expediting decisions. One superintendent suggested that including union negotiations in the site-based budgeting process would bolster their efforts at reform.

Like their counterparts in California and California, when asked what the state could do to encourage local reform efforts, local district leaders in Illinois pointed to the quantity of program rules and regulations. With reform the "order of the day," they need additional local autonomy, flexibility and control. Mandates in areas such as testing, physical education requirements, report cards, etc. should be relaxed or eliminated. A final suggestion is to base funding on an inspection team's analysis of student outcomes.

Kentucky

Education funding increased significantly throughout the state following implementation of the 1990 Kentucky Education Reform Act (KERA). KERA includes a unique funding system that is responsible for the increase in funds available for reform. Local educators feel the additional funds allow them to do more, to do it faster and to make changes happen. However, Kentuckians understand that reform involves a lot more than funding, as these quotes typify:

> *Reform takes time, not just money; many adjustments still need to be made.*

> *Money is not the key to reform; it's what you do with what you have.*

Although KERA is the main source of funding for reform, it is supplemented by outside grants. Available funds are being used to change the curriculum, focus on performance-based assessment and expand site-based management to include school councils. Outside consultants are training newly involved parents, teachers and administrators to develop budgets, choose personnel and make other management decisions.

Local administrators say they have a substantial amount of fiscal flexibility but need more in certain areas such as purchasing instructional materials. Districts have more flexibility in the use of state funds than they do in the use of federal funds.

When asked to compare constant-dollar expenditures for major categories before and after the advent of KERA, respondents judged teacher salaries, staff development and technology to be receiving greater emphasis, while other expenditure areas remain about the same.

A tradition of highly centralized budgeting and accounting practices in Kentucky school districts was an initial impediment to KERA. At first, a lack of trust coupled with poor communication slowed the development of school-based councils and the involvement of parents. Rapid changes in the process helped lead to greater trust and improved communication. There remains a need, however, for more training and experience in such areas as planning, budget preparation and budget monitoring, and personnel actions. On the accounting side, schools have direct access to fiscal information, although the accounting system itself is complicated and inflexible.

When asked what else the state could do to encourage local reform efforts, local educators agreed that the most helpful state actions would be to improve the accounting system by making it more flexible, easier to understand, and more responsive to management needs. As part of this effort, local leaders would like to see the state develop a management information system to assist local districts with school-level decision making. In addition, some would like to see a reduction in the number of categorical programs, fewer expenditure restrictions and greater efforts to "showcase" successful reforms.

Maine

The national recession also has hit Maine hard. Funds for education have tightened considerably over the last three years, resulting in little or no budget growth. Local educators have not let fiscal constraints halt their reform efforts, however. Two respondents — one superintendent and one principal — express attitudes typical of reform leaders in Maine:

> *Reform is driven by attitude, not money. If we had more money, we could move faster, but that is marginal. Tight times mean staff are more interested in professional development at the local level. Money is not the driving factor. It is staff and community attitudes that allow you to change and progress.*

> *You can't invent money where there isn't any, but that doesn't prevent reform. Time and energy, not money, are important to reform.*

Given the fiscal climate, it was not surprising to learn that much of the money being used to fund reform comes from outside grants. Local funds, where available, must be re-directed from existing budget lines. One district, for example, reduced textbook purchases so it could enlarge technology and library resources that support active-learning approaches. Whatever the source of the money, the total is minuscule compared to a district's total annual operating budget. Funds frequently are supplemented by in-kind contributions such as Total Quality Management training provided by a large local employer or additional time contributed by teachers and administrators.

Available funds are being used to change the curriculum, promote active learning and develop management skills (including budget planning and monitoring) in support of site-based management. As reform takes hold, especially site-based management, traditional funding patterns likely will be re-examined and reallocations will increase in size and importance.

Local administrators in this state say they are satisfied with the large degree of fiscal autonomy in their districts and do not feel the need to seek additional fiscal flexibility.

When asked to compare constant-dollar expenditures for major categories, respondents indicated that staff development, technology and programs for special populations are receiving greater emphasis. Plant maintenance and operations, other non-instructional expenditures and administrative salaries appear to be receiving less.

In general, the process of managing money — budget planning and monitoring and accounting practices — is not seen as a serious impediment to local district reform efforts. New decision-making approaches, for example, may require realignment of the budget and accounting systems. This realignment is time consuming and irritating to many of the people involved but offers no real roadblocks to reform. Budget and accounting are seen as support systems intended to assist managerial decision making and therefore are required to change when the managerial style changes.

Budget practices, for example, have changed with the shift to site-based management. In the past the budget was developed by the central office for presentation to the school board. Now, each site develops its own budget and defends it through the budget-review process.

Asked what the state could do to encourage local reform efforts, local district leaders in Maine also focused on the quantity of rules and regulations that govern what they do. They see a need for the state to provide additional autonomy to local leaders while providing more consultant assistance on making changes. Local leaders are united in their belief that if the state requires certain class sizes or elementary guidance counselors, for example, then it must provide the necessary funds to help local districts comply. Local leaders hope a new statute to this effect will correct a previously burdensome situation.

SUMMARY

The reform experiences of local leaders offer several suggestions for state leaders who would like to promote continued efforts to restructure the schools. These include:

- ★ Provide a more coherent state strategy for reforming education and funding policies.
- ★ Review current and proposed regulations with an eye toward providing increased management flexibility at the local level and reducing the amount of reporting and paperwork.
- ★ Provide incentives to encourage reform, especially in the areas of leadership training and staff development.
- ★ Focus on results (outcomes) rather than inputs or time spent.
- ★ Provide consultants to assist local efforts.
- ★ Pressure the federal government to ease its regulatory restrictions.
- ★ Improve information flow between the state and local districts and assist with the exchange of information among districts.
- ★ Improve local planning capability by providing greater flexibility in fiscal decision making, including the ability to pool funds and carry forward funds.

NEXT STEPS

This exploratory study yielded valuable insights into the general nature of the relationship between fiscal practices and reform efforts. To increase our understanding of money and reform, ECS would like to examine certain aspects of this issue in more detail. Next steps might include:

Study one state in depth. By focusing on one state, the study could control for state-level variations in regulations and finance while conducting a detailed examination of spending patterns. Either individual school sites or school districts could be used as the unit of analysis. Under either approach, districts would be paired. Districts heavily engaged in reform activities would be matched with non-reform districts according to characteristics such as wealth, size, spending level and ethnicity.

These matched pairs then would be examined to determine changes in expenditure patterns over time, changes in student performance, administrative and teacher behavior, and staffing patterns. (Do restructured schools require fewer administrators, for example?) Study teams would make site visits and develop detailed case studies to shed light on the costs of reform in both money and time. One variation of this approach would be to match Goodlad, Sizer or Comer schools (the so-called "franchise" schools) with similar non-franchise schools and examine differences.

Under the first option — analyzing individual school sites — the "cascade theory" approach of the current U.S. Chamber of Commerce study would be used to examine differences among schools and over time within a school. Under the second option — analyzing school districts — knowledge gained about how dollars are spent in both reform and non-reform districts serves as a useful first step. But knowing how expenditures could be better aligned with education objectives would be more valuable. Examples of innovative budget practices discovered in the first phase of this project could be used in follow-up efforts. They could serve, for example, as models of how a single state and its policies (state, district and school level) could be aligned in a similar manner. Policy makers and educators need specific approaches related to how money can be viewed as an integral part of educational change.

Focus on staff development and technology. Given local leaders' consistent importance attached to staff development and technology, ECS would like to examine more closely the nature of staff-development initiatives. We would emphasize their costs and outcomes, with an emphasis on what state policy leaders can do to encourage and improve local efforts. This study would involve selecting a sub-set of districts interviewed for this study and focusing on staff development and technology integration issues. As a corollary to this study, and to address future staff development needs, ECS would like to convene of a group of teacher education experts to explore the need to build new skills in future teachers.

Examine the impact of changing state regulations. Many local leaders complain about the restrictive nature of state regulations. Some states already have taken steps to waive regulations, make them more flexible or reduce their numbers and impact. ECS would like to examine the impact of these changes on local districts and whether they would work in other states.

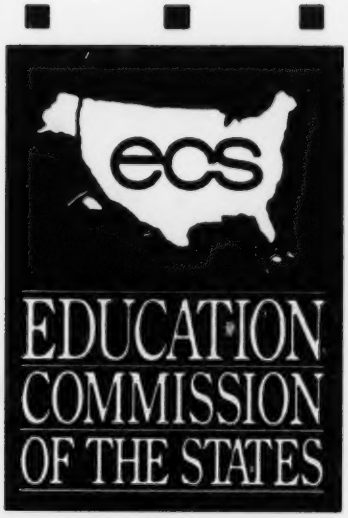
APPENDIX. METHODOLOGY NOTES

In the exploratory study, we were not looking for definitive answers as much as we were trying to get a feel for how to address a relatively unexplored area. In this sense, the study was a success. The study reported here has helped to focus our future efforts for the benefit of state policy makers.

Experience with this exploratory design has led us to identify several ways in which this methodology could be strengthened:

- ★ *Selection of districts.* School districts were selected for interviews based on their reputations among a few people active in school reform efforts and without specific criteria; future efforts would benefit from using a broader cross-section of people to nominate potential districts using a specified set of criteria (for example, length of time engaged in reform efforts; nature of reform efforts; and the ability to address fiscal aspects of reform).
- ★ *Number of interviews per district.* At the outset, we decided to interview a superintendent and a principal from each district to see if their positions provided significantly different perspectives on reform questions. In this case, position made no difference (probably because the superintendent was asked to identify the principal to be interviewed). In the future, we would choose to interview people in more districts rather than multiple people within a single district.
- ★ *Addition of quantitative data.* We relied primarily on respondents' perceptions of reform and fiscal efforts. Future efforts should include more quantitative data in order to balance perceptual responses.
- ★ *Improvement in the interview guide.* As with any new effort, some parts didn't perform up to expectations. The question that asked respondents to estimate the amount of time spend on reform activities by superintendents, principals and teachers, for example, proved very difficult to answer. It did, however, give us a sense that time commitments are substantial and should be probed in future work.

While these changes would have improved the design, we are confident that the information gained with the design used provides a sound picture of local perceptions on the fiscal aspects of reform.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